

## **Section F. Glitz and Pizzazz (Programming) Strategies**

The following programming strategies for State Fair Park are intended to improve the presentation of the State Fair and make it a more economical and enjoyable experience. Since, the vast majority of people attending the State Fair come to be entertained, the entertainment products must improve. The programming strategies are grouped by those identified by the State Fair Staff and those strategies suggested by the Partnering Committee and Staff Group. The recommended set of strategies needs further discussion by the State Fair Board, with input from the Staff and from outside fair and entertainment consultants.

### **F1. State Fair Staff Strategies**

In pursuit of this goal, the State Fair Staff developed a paper, titled *Nebraska State Fair Redefined* (See Appendix 8). The Staff's highlight of the operating and programming strategies centers on livestock shows, entertainment, exhibits, and other strategies. These new or improved strategies would cost an additional \$515,000 per year and a one-time funding appropriation of \$250,000.

1. Livestock Shows and Education
  - a. Increase livestock premiums: Higher livestock premiums and awards will bring better and more exhibits. In turn more family members, friends and patrons will come. The quality of the showings will improve. Annual Price: \$50,000.
  - b. Provide youth livestock sales: The potential financial gain would encourage participants and a balance of the gain would go towards a scholarship fund administered by 4-H and FFA organizations. Modeled after the Governor's Celebrity Cattle Show and Blue Ribbon Sale at AK-SAR-BEN, this idea would include more species, including sheep, swine and cattle, thus increasing exhibitors. A proposed sponsoring committee would help solicit buyers from the business community around the state. Annual Price: \$50,000
  - c. Develop State Department of Agriculture displays: Displays and exhibits in Ag Hall could be based upon new programs such as technology, international sales of Nebraska products, and groundwater issues. These activities could be co-sponsored and funded by the Farm Bureau.
  - d. Develop University of Nebraska exhibit space: Devaney Center would be an ideal place for the University and its four campuses to tell its fine academic story. Athletics and other university organizations could also be featured. This event could be sponsored and funded by

the University and be an important recruitment tool for prospective students and their families.

2. Entertainment

- a. More free concerts and ground acts: The free concerts are needed every night of the fair to draw patrons to the fair who in turn make purchases. The stronger acts are needed especially on the “slower” weekday nights. The successful free concerts would provide the State Fair Board the opportunity to sell sponsorships for the events to help offset costs. Annual Price: \$135,000.
- b. More ground acts: Ground acts provide the opportunity for continuous entertainment to patrons throughout the campus. Annual Price: \$80,000.
- c. Paid concerts: Given the relatively small concert seating capacity of Devaney Center, it is difficult to book major acts and guarantee that enough high price seats will be sold. The lack of beer sales also hurts this strategy. Recent years has seen a serious drop in concert attendance. In 1998, 67,000 patrons attended concerts. Last year, only 13,000 patrons attended concerts. The continuation of paid concerts requires more discussion before actively pursuing this issue.

3. Exhibits

- a. Other State Agencies: Agencies, such as Tourism and Economic Development, should also sponsor prime exhibit space to “tell their story” and bring in more constituent groups to the State Fair.
- b. Traveling exhibits: National organizations have produced quality and informative exhibits that travel around the country. Such exhibits could range from National Geographic Society to the National Center for the Performing Arts. Annual Price: \$50,000.
- c. Local government exhibits: Local governments, such as the City of Lincoln and Lancaster County, could feature its many public services: recreation, library, police, fire, sheriff and health.

4. Other Strategies

- a. Increase advertising: In 1999, the State Fair Board was spending nearly \$300,000 on advertising. In 2003, the advertising figure had been cut by more than 50% down to \$136,000. The recent advertising cuts have helped lead to less fair attendance. This downward trend needs to be reduced and reestablished at its historical figures. To

promote and inform the State's citizens of the "future happenings" at the State Fair, television and other forms of advertising need to be utilized. Annual Price: \$150,000.

- b. Improved display and exhibit cases, backdrops and lighting: The current displays and equipment are in very poor condition and do not do justice to the items being displayed. One Time Price: \$100,000.
- c. Signage: The present signage is confusing, inconsistent and lacks quality. An improved signage package has been designed by an UNL architecture class, but waits funding. One Time Price: \$150,000.

**F2. Partnering Committee's and Staff Group's Top Strategies to help create and program a better State Fair**

- 1. The Partnering Committee developed its own set of strategies to improve the presentation of State Fair Park. The following is the Partnering Committee's priority order:
  - a. Complete the Antelope Valley Roadway and Waterway; will improve the image, visibility, amenities, ingress and egress. (12 Votes)
  - b. Construct a water park. (12 Votes)
  - c. Construct a new major events facility on the 4-H Complex and/or the Industrial Arts building sites. This facility is needed to attract trade shows and events even if Lincoln builds a convention center complex in another part of the community. (10 votes)
  - d. Build a nicer and smaller grandstand (50,000 sq. ft. instead of the present 150,000 sq. ft. grandstand) for horseracing, including perhaps a larger track (one mile length). Lincoln's current facility is one of the least appealing facilities in the State. (10 votes)
  - e. Increase "partnering" with the Department of Agriculture, University of Nebraska, state business, media, churches, social orders, clubs, nonprofit entities and cultural groups in order to bring new constituents to the State Fair. (10 votes)
  - f. Remove the 4-H Complex and/or the Industrial Arts building. The \$10 million cost of renovation appears too high compared to the potential gains and ability to pay for such improvements. Neither building is on the Register of Historic Places; however, both buildings are historically eligible. (8 votes)

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- g. Reducing the 31 statutory days of live horse racing dates. The Nebraska horse racing industry needs a certain number of days to achieve economies of scale and efficacies. (8 votes)
  - h. Construct an ice rink for a “cool” activity at fair time and for the other days of the year. (8 votes)
  - i. Sell land not needed for State Fair and reinvest the proceeds back into the State Fair. (8 votes)
  - j. State Fair needs to complete a new Master Plan as soon as possible. (7 votes)
  - k. Consider moving the State Fair to late July/early August. There would be less competition with public schools that start the school year in late August. An earlier start would not compete with up to two Nebraska football home games. However, earlier start date would compete with some county fairs. There would need to be more air conditioned buildings to keep cool on “hot” days. Hot days can hurt fair attendance. It is interesting to note that the largest state fair—Minnesota—has the same exact start and end dates as the present Nebraska State Fair. (7 votes)
  - l. Air condition more buildings to increase patron’s comfort. (7 votes)
  - m. Develop an amusement park (go carts, arcade, miniature golf, paint ball, virtual reality rides, etc.). (7 votes)
2. Partnering Committee’s and Staff Group’s Other Program Strategies (not prioritized)
- a. Remove livestock facilities away from the new N. 14<sup>th</sup> Street entrance. New horse barns should be constructed north of the Grandstand/horse racing area; new livestock barns and horse arenas should be constructed east of the core State Fair area. Improved livestock facility needs 1,100 stalls.
  - b. Build a new arboretum/entertainment area on the south edge of the State Fair core area.
  - c. Remove the metal buildings on the State Fair campus.
  - d. Create a “Vala’s” type pumpkin patch, similar to the one located in Sarpy County.
  - e. Develop more interactive displays and exhibits.

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- f. More free entertainment to increase the gate attendance. -
- g. Use the icebox arena for family entertainment instead of horse shows and find a new horse show venue.
- h. Develop a restaurant/lounge near Devaney Center and the race track.
- i. Develop a micro motel/hotel near Devaney Center and the race track.
- j. Strengthen entrance points.
- k. Increase advertising. Recent fiscal condition has resulted in less advertising and marketing, which in turn hurts revenues and sales.
- l. Consider reducing the number of days from 10 to 8 days: Saturday through Saturday. However, ten days has been the standard practice to help insure there would be two high attendance weekends and help insure that good weather would at least occur during one of the two weekends.
- m. Sponsor a different cultural/ethnic festival each day of the fair to celebrate the State's unique diversity, history, traditions, and foods.
- n. Sponsor a State technology, "value added" products and agricultural fair. High schools, universities, colleges, trade groups and businesses could display recent achievements.
- o. Sponsor a coronation event or ball. Help bring in the State's business community.
- p. Strengthen the relationship and ties between the Future Farmers of America State Convention and the State Fair.
- q. Have some of the Nebraska State Games championship events during the State Fair.
- r. Develop new participants activities and events at the State Fair (kite flying, horse shoes, paint ball, badminton, volleyball, 3 on 3 basketball, putting contest, longest drive contest, computer games, science olympiad, card games (e.g. bridge, pitch, etc.). Have local community competitions earlier in the summer that lead up the state championship at the State Fair.
- s. Expand the Heritage Village Concept. Explore bringing in some of Harold Warp's Pioneer Village historical materials to put on display.

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The recently completed Randall Marketing Study recommends more historical tourist attractions.

- Increase outdoor displays and marketing (Game & Parks, Cabela, etc.).
- Develop a cluster of museums in close proximity, such as historical, military, cultural, sports theme. State Sports Hall of Fame, Cushman Motors/Textron.
- Need new media strategies to attract media attention, such as live newscasts during the State Fair.
- Improve motor vehicle parking stall numbers and locations. Provide off-site parking lots (e.g., Haymarket Park) with shuttle bus service for State Fair weekend usage when parking demand is the greatest.
- Improve road and pedestrian signage so it would be easier to find venues and events.
- Increase the types of food vendors.
- Provide rodeo events such as bull riding.
- Increase live art exhibits, such as glass blowing, pottery, weaving, etc.
- Develop more activities and rides with draft horses.
- Construct a football/soccer field in the middle of the race track.
- Permit casino gambling or slot machines in State Fair Park.

## Section G. Capital Building and Infrastructure Strategies

While the vast majority of people attending the State Fair come to be entertained, the entertainment product must still be housed in safe, attractive and well maintained buildings with proper infrastructure services. The following section identifies capital building and infrastructure strategies for State Fair Park based upon two types of conclusions: **Recommendation** and **Additional Consideration**. A **Recommendation** strategy is based upon a general consensus of the Partnering Committee. An **Additional Consideration** strategy means there was not a consensus based upon either (i) the short amount of time for discussion for a complex and far reaching strategy, or (ii) because of the controversial nature of the strategy.

### G1. Master Plan

1. Recommendation: Update the Master Plan Immediately

State Fair Board needs to immediately refine and adopt a “glitz and pizzazz” programming plan and then, based upon the programming plan, update the buildings, facilities and infrastructure Master Plan accordingly. There is a State requirement that the State Fair Board must have an approved Master Plan and it is to be updated regularly in order for the State to evaluate capital budget and building renewal funding requests. In the past, the State has denied several State Fair Board funding requests because there was no approved Master Plan in place. The State Fair Board should update the Master Plan as soon as possible so the State can evaluate and consider new funding requests.

2. Additional Consideration: Once the Master Plan has been updated, there is likely to be other key building, facilities and improvements in need of upgrade or replacement.

### G2. Capital Building Improvements

1. Recommendation: Build a New 75,000 Square Foot Multi-Purpose Facility

Based upon other successful state fairs across the country, State Fair Park must become a major “place” 365 days a year to generate new revenues to support the State Fair. The first needed building improvement in this direction should be a 75,000 square foot multi-purpose exhibition/meeting facility. This facility is needed for the State Fair and the other days of the year to attract various trade shows and events. The State Fair Board cannot operate a successful event without such a new facility -- even if Lincoln builds a convention/arena/multi-purpose center complex in Downtown. The new facility needs to replace the 4-H and Industrial Arts

Buildings. The initial construction cost is estimated at \$9 to \$11.25 million based upon building costs of \$120 to \$150 per square foot.

2. Recommendation: Build a New Livestock/Horse Arena.

It is difficult for the Ice Box building to serve both as an ice rink and the livestock/horse arena. The practical answer is to construct a new livestock/horse arena of approximately 37,000 square feet (150' x 250') rather than build a new ice rink building. The new facility should be heated and air conditioned, with a 100' x 200' arena concrete floor and portable bleacher seating for 2,500 patrons. There should be livestock holding pens, concession stands and exhibition space. The facility would be used for both the State Fair and off-season events. The estimated cost would be approximately \$4.3 million (\$115 per sq. ft.).

3. Recommendation: Build a 50,000 Square Foot Grandstand and One Mile Race Track.

Build a nicer and smaller grandstand/simulcast betting facility (50,000 sq. ft. instead of the present 150,000 sq. ft. Grandstand) for horseracing, including a larger track (one mile in length). A finer facility with proper amenities would increase betting revenues up to 50% by some estimations. The additional revenues would be expected not only to fund the new grandstand/simulcast betting facility, but generate additional funds for the State Fair. A detailed analysis would need to be carried out to verify the revenue and expense assumptions. A new 50,000 sq. ft. grandstand is estimated to cost approximately \$8.1 million to construct (\$162 per sq. ft.) and another \$500,000 to equip.

State Fair Park's horse racing track is very small ( $5/8^{\text{th}}$  of a mile) compared to the optimal one mile tracks. To increase the track length to one mile, the State Fair Park would need to acquire land from the City of Lincoln. The Grandstand would also have to be relocated since the finish line would be shifted. If a one mile dirt track is constructed, racing officials should consider constructing a grass track ( $7/8^{\text{th}}$  of a mile) within the one mile dirt track. The cost of an expanded track is estimated at \$750,000. Together, the new Grandstand and expanded track would cost approximately \$10 million.

4. Recommendation: Build a New North 14<sup>th</sup> Street "Front Door" Entry Plaza and Parking Area.

The new Antelope Valley north-south roadway will enable a more dynamic "front door" entrance along North 14<sup>th</sup> Street and Military Road. A new image with quality parking will assist the entire State Fair Park campus, as well as the Devaney Center.



Depending upon the design and features, such a set of improvements is estimated to cost \$2.7 million according to the State Fair Park Staff.

### **G3. Infrastructure Upgrades**

#### **1. Recommendation: Infrastructure Upgrades and Replacements.**

In the very near future, the State of Nebraska and/or State Fair Board will need to be investing an estimated \$10 million over the next 20 years or an average of \$500,000 annually. Otherwise, State Fair Board and/or the State run the risk of a major infrastructure failure, excessive repair costs, or serious liability or injury.

Because of the age, these utilities and facilities will start failing if not replaced or updated soon. The most serious infrastructure deficits lie with the streets, sidewalks and pedestrian ways. State Fair Board has not undertaken a detailed inventory, inspection and testing of the infrastructure items. Although based upon the State Fair Park's engineers (Olsson Associates) familiarity with the utilities and pavement, Olsson Associates estimates the infrastructure replacement value at \$8.8 million and an infrastructure depreciation value of only \$2 million. To create a successful and viable State Fair Park, additional infrastructure will be needed to support the proposed new buildings and facilities.

## Section H. Revenue Sources

The toughest challenge is to how to finance both (i) a new set of programming strategies and (ii) key capital buildings and infrastructure improvements. The following identified revenue sources for State Fair Park include two types of conclusions: **Recommendation** and **Additional Consideration**. A **Recommendation** strategy is based upon a general consensus of the Partnering Committee. An **Additional Consideration** strategy means there was a not consensus based upon either (i) the short amount of time for discussion for a complex and far reaching funding source, or (ii) because of the controversial nature of the funding source.

### H1. State of Nebraska Sources

The evidence from other State Fairs discussed above suggests there is a high correlation between a successful State Fair and a very sizable state contribution. Such a state contribution ideally would first be approved by the vote of Nebraska citizens to verify their support for a State Fair. Secondly, the revenue would be dependable and not come from the State's limited general funds.

1. Recommendation: \$2 Million Annual Lottery Proceeds; Constitutional Lottery Amendment

The primary legislative strategy requires the Legislature to advance for a public vote a proposed Constitutional Lottery Amendment that would split the future lottery proceeds as follows (Figure 19):

Proposed \$2 Million Annual Lottery Proceeds Strategy		
Figure 19		
Description	Present Statutory Allocation	Proposed Constitutional Allocation
Education	49.5%	44.5%
Environmental	49.5%	44.5%
State Fair Park	0%	10.0%
Gambler Assistance	1.0%	1.0%
Total	100.0%	100.0%

Source: Staff Group

Since lottery proceeds are proposed, this new revenue source would not involve the State's general fund sources. While Education and Environmental allocation percentages would be reduced under this proposal, the projections reveal these two important public purposes would not receive any less annual lottery proceeds. In recent years, the State Lottery has been generating approximately \$18 million annually. The recently approved State lottery operator contract is projected to bring in additional \$20 million over the contract term. These additional lottery

receipts will more than make up for the reduction to the Education and Environmental allocation percentages.

The proposed constitutional amendment would not only require Legislative approval, but also an affirmative majority vote by the State's electorate. This strategy directly addresses two primary objectives: (i) no State general fund dollars would be used and (ii) the citizens of the State would be able to directly vote whether they really want a State Fair.

The above strategy is estimated to generate approximately \$2 million of new monies annually. It is recommended that approximately twenty-five percent (\$515,000) of the new State monies be allocated to recreating new and improved programming that adds back the "glitz and pizzazz." The balance of the \$2 million should be used to fund 20 years of debt service to fund approximately \$22 million of necessary capital improvements and repairs to buildings and infrastructure. See Figure 20.

<b>Proposed Uses &amp; Sources of State Funds</b>	
<b>Figure 20</b>	
<b>Sources of State Funds</b>	<b>Amount</b>
Requested annual State Lottery Proceeds	\$2,000,000
<b>Uses of State Funds</b>	
Recommend annual programming deficit	\$515,000
Available for annual debt service for \$22 Million of Buildings and Infrastructure	<u>\$1,485,000</u>
<b>Total</b>	<b>\$2,000,000</b>

Source: Partnering Committee

2. Additional Consideration: Permit State Fair Park to have Simulcast Horse Racing Only.

The Legislature could consider allowing State Fair Board to conduct simulcast horse racing without live horse racing. Or alternatively, permit State Fair Board to sell or assign racing to another operator who would be permitted to relocate the "live" horse racing and simulcast horse racing operation to a new site. This alternative would allow State Fair Park to continue to have simulcast horse racing without live racing.

3. Additional Consideration: Reduce the Number of "Live" Racing Days.

The Legislature could consider reducing the number of "live" racing days from the 31 day statutory mandate for State Fair Park. This might help reduce the indirect operating costs or allow the racing operations to be sold or assigned to another operator (e.g., the Horsemen's Benevolent & Protective Association) and help reduce the net operating loss to the State

Fair Board. This strategy is complex and could cause a rippling effect. Decreasing the number of live racing days could reduce the size of purses. Reduce purses makes it less appealing to the horse racing industry and reduces the quality of the entertainment product. A lower quality product reduces live horse racing revenues.

4. Additional Consideration: Expanded Gambling

Permitting expanded gambling at State Fair Park is expected to generate additional revenues. The potential expanded gambling alternatives range from location options (Indian Reservations to existing horse racing venues such as State Fair Park) to gambling options (slot machines only to all types of casino gambling). Any expansion of gambling in the State of Nebraska would take Legislative and state voter approval or judicial order. The issue of expanded gambling is a political issue that has many strong proponents and opponents. The expected public revenues do have corresponding costs to society. The issue is complex. Therefore, it is difficult to predict if expanded gambling is a politically correct answer as a potential funding source for State Fair Park.

5. Additional Consideration: Sales Tax Increment Financing (STIF)

The Legislature could consider approving a constitutional amendment to permit the State, Counties and Cities to be able to use the sales taxes from State Fair Park. Like tax increment financing which is based upon property tax receipts, sales tax increment financing may be a revenue tool for public improvement at State Fair Park. The State, County or City could receive the increase in sales annually generated at State Fair Park for a maximum of 15 years and use the proceeds to fund public improvements (e.g., public buildings, infrastructure, public parking, etc.). In addition, the governing entity could bond and pledge the annual sales tax receipts and use the upfront bond proceeds to make the public improvements and use the annual sales tax increases as debt service to repay the bonds.

## **H2. Lancaster County Sources**

1. Recommendation: Increase in County Lodging Tax

In order to expect a large State of Nebraska assistance amount for State Fair Park, local government or the business community will be expected to step up to the plate because of the State Fair direct and indirect economic benefits to the local community. Perhaps the most viable local funding match source is the County lodging tax. The Lancaster County Board has authority to levy another 2% lodging tax for capital improvements. The lodging tax is levied on motel and hotel stays. Already, the County levies

a 2% lodging tax which is administered by the Visitor and Convention Center Bureau.

The Lancaster County Board should seriously consider levying one quarter of the additional 2%, or .5%, and allocate said net tax proceeds of approximately \$225,000 to State Fair Park to aid the future capital needs. Most likely, this strategy would need some support from the Lincoln/Lancaster lodging industry and a recommendation from the Visitor and Convention Center Bureau. To be sure it is viewed as a match to the proposed State funding sources, the County Board could approve the increase in Lodging Tax contingent upon legislative and voter approval of the \$2 Million Annual Lottery Proceeds strategy.

2. Additional Consideration: Increase the State Fair Beer License Premises
  - a. The Lancaster County Board could reconsider permitting beer sales beyond the current designated beer gardens and permit patrons to consume beer on the main State Fair Campus, except certain buildings and events. This is similar to the practices at the Iowa and Minnesota State Fairs. For example, Iowa State Fair beer sales generates approximately \$ 1.1 million compared to the \$130,000 generated by the Nebraska State Fair two beer gardens last year.
  - b. Last year, the Lancaster County Board rejected expanding the license premises beyond the two beer gardens. The State Fair Board had sought the right to sell beer at three locations and permit patrons to carry the beer around the entire State Fair campus, except certain buildings. State Fair officials estimate that conservatively an additional \$140,000 of beer sale revenue could be generated if beer was sold at seven or eight venues and patrons were permitted to carry and consume their beers on the entire State Fair campus, except in certain buildings and event venues.

A related strategy would be for the University and County to permit beer sales in the Devaney Center during State Fair concerts. Some patrons and concert acts have complained that without beer sales, the Devaney Center lacks a proper "concert atmosphere" and therefore is not a desirable venue for patrons. State Fair Officials estimate that \$85,000 to \$150,000 of beer revenues a year could be generated from Devaney Center concerts. Presently, the University of Nebraska's policy prohibits beer sales in the Devaney Center.

### **H3. City of Lincoln Sources**

1. Recommendation: Implement the Antelope Valley Projects

It is very important to State Fair Park's viability that the City and the other two Antelope Valley partners continue to fund and complete the Antelope Valley projects as soon as possible. Completing the local governmental funding of the new roadway and waterway will be a key to State Fair Park's success. The completion of the Antelope Valley projects was the Partnering Committee's highest priority strategy to improve the presentation of State Fair Park. When completed, the new roadways and waterway infrastructure next to State Fair Park will enhance the State Fair Park's access, travel time, visibility, and aesthetics.

2. Additional Consideration: Annexation and Assumption of Infrastructure Liabilities

The City of Lincoln should consider annexing State Fair Park and taking over the primarily infrastructure responsibilities (e.g., engineering, maintenance, repair and replacement services). This would be a major economic commitment, but hopefully, a more successful State Fair Park would generate city sales tax to help offset the large infrastructure liabilities. As a first step, the City should consider doing an infrastructure/sales tax receipt assessment to determine whether the City could justify annexing State Fair Park. Given the City of Lincoln's precarious twelve year project Infrastructure financing shortfall, the City must be cautious and be sure the gap between the projected sales tax receipts and infrastructure is not too great.

3. Additional Consideration: Tax Increment Financing (TIF)

If the City is willing to annex State Fair Park and if a nonexempt private sector use would be allowed to own property at State Fair Park, then tax increment financing may be a revenue tool for public improvement. The City of Lincoln could then receive the increase in property taxes (tax increment) annually generated by the private sector improvements for a maximum of 15 years and use the proceeds to fund public improvements (e.g., infrastructure, public parking, etc.). In addition, the City could bond and pledge the annual property tax increases and use the upfront bond proceeds to make the public improvements and use the annual property tax increases as debt service to repay the bondholders.

#### **H4. Private Sector Sources**

1. Recommendation: Nebraska State Fair 1868 Foundation to Raise \$8 Million

Created to assist the State Fair Board, the Nebraska State Fair 1868 Foundation is a 501 (c) (3) not for profit corporation and is set up to

receive charitable and tax deductible gifts from private individuals and entities. Over the next ten years, the Foundation should attempt to raise \$8 million to assist State Fair Park projected capital and programming deficits. Presently a campaign is underway, chaired by Governor Mike Johanns and First Lady Stephanie Johanns. To date, the campaign has raised at least \$25,000.

2. Additional Consideration: General Business Sector Support

While the recently reported \$27.8 million annual economic impact generated by State Fair Park is impressive, many of the economic benefits are not direct, which causes many benefiting business to not realize what portion of their sales are a result of State Fair Park. To date, there has not been a large rush by the business community to provide funding or sponsoring assistance to State Fair Park. Many vendors worry about sagging attendance, poor economy or receiving timely payments. According to one knowledgeable business source, the State Fair is not in the Lincoln business's radar, and probably will not show up, unless the State Fair is closed down and then it will be too late to act.

3. Recommendation: Horse Racing Industry Funds Approximately One Half of a New Horse Racing Facility

The horse racing industry is one industrial sector that may be willing to "bet" on the future of the State Fair. If the State Fair ceases, the horse racing industry may also be a big loser. In order for the State Fair to become viable, it appears that a new \$10 million dollar racing facility could bring in needed revenue to State Fair Park. State Fair Board should consider asking its strategic ally, the horse racing industry, to fund approximately one half of a new horse racing facility.

When the State Fair Board announced its financial difficulties in October of 2003, the Horsemen's Benevolent & Protective Association graciously stepped up to the plate and contributed \$150,000. Yet, the present State Fair Park racing facility is below grade, and unless governmental assistance appears quickly, State Fair Board will continue to lack the funds to manage the State Fair, off-season events, as well as horse racing. If the State Fair ceases, then it would be problematic for the State Fair Board to elect to continue to operate horse racing or off-season events. This would leave horse racing organizations, such as the Horsemen's Benevolent & Protective Association, in a precarious position of having to determine whether another operator is economically and legally able to take over horse racing operations at State Fair Park.

The horse racing puzzle even gets more complicated. Horse racing officials express a strong consensus that the success of horse racing in

Lincoln is directly linked to the State permitting expanded gambling. While expanded gambling is controversial itself, certain governmental officials express serious reservations in allowing expanded gambling at State Fair Park because of its close proximity to the University of Nebraska. Several elected and appointed governmental officials express less opposition for expanded gambling at another location in Lincoln, such as near I-80 interchanges or Lancaster County Events Center.

The State Constitution presently permits gambling at horse racing tracks. Unless this provision is changed by the voters, then there is a direct legal link between horse racing and expanded gambling interest. In order to gain political and voter support, the horse racing industry may want to support another Lincoln horse racing location that is further away from certain land uses (e.g., the University, public schools, churches, etc. ). With the status of horse racing up in the air, along with its potential new ally, expanded gambling, it is hard to predict whether the horse racing industry will be willing to fund one half of a new horse racing facility or other improvements for State Fair Park. Several horse racing leaders recently stated that it would be very difficult to fund \$5 million for a new racing facility with uncertain hopes of attracting extended gambling.

## **H5. Not Viable Funding Sources**

### **1. Enterprise Zone**

Declaring State Fair Park an “enterprise zone” does not appear feasible. Presently only a small section of Omaha qualifies. Based upon the last census, no section of Lincoln or Lancaster County meets the economic indicators to qualify as an enterprise zone.



## Section I. Action Plan Summary

### II. Action Plan

The following is a summary list of the Partnering Committee's recommendations:

1. **Update the Master Plan Immediately:** The State Fair Board needs to immediately refine and adopt a "glitz and pizzazz" programming plan. Based upon the programming plan, update the buildings, facilities and infrastructure master plan accordingly.
2. **Build a New 75,000 Square Foot Multi-Purpose Facility:** The first needed building improvement to establish a major "place" 365 days a year is a 75,000 square foot multi-purpose exhibition/meeting facility. The new facility needs to replace the 4-H and Industrial Arts Buildings. The initial construction cost is estimated at \$9 to \$11.25 million.
3. **Build a New Livestock/Horse Arena:** Construct a new livestock/horse arena of approximately 37,000 square feet (150' x 250'). The new facility should be heated and air conditioned, with a 100' x 200' arena concrete floor and portable bleacher seating for 2,500 patrons. The facility would be used for both the State Fair and off-season events. The estimated cost would be approximately 4.3 million (\$115 per sq. ft.).
4. **Build a New Grandstand and One Mile Race Track:** Build a nicer and smaller grandstand/simulcast betting facility (50,000 sq. ft. instead of the present 150,000 sq. ft. Grandstand) for horseracing, including a larger track (one mile length). A finer facility with proper amenities would increase betting revenue which could provide additional funding help to the State Fair. Replace the small 5/8<sup>th</sup> of a mile horse racing track with a new one mile track. Together, the new Grandstand and expanded track would cost approximately \$10 million.
5. **Build a New North 14<sup>th</sup> Street "Front Door" Entry Plaza and Parking Area:** The new Antelope Valley north-south road will enable a more dynamic "front door" entrance along North 14<sup>th</sup> Street and Military Road. A new front door image with quality parking will assist the entire State Fair Park campus, as well as the Devaney Center. The estimated cost is \$2.7 million.
6. **Upgrade the Infrastructure:** In the very near future, the State of Nebraska or State Fair Board will need to be investing an estimated \$10 million over the next 20 years or an average of \$500,000 annually. Otherwise, State Fair Board and the State run the risk of a major infrastructure failure, excessive repair costs, or serious liability or injury.

7. **Seek Legislative Approval for \$2 Million Annual Lottery Proceeds:** State Fair Board should immediately seek legislative approval of the \$2 Million Annual Lottery Proceeds strategy. This strategy entails a Constitutional Lottery Amendment, allowing State Fair Park to receive 10% split of the State's Lottery proceeds or approximately \$2 million annually. Approximately 500,000 would be used to fund improved State Fair programming activities and the balance would be used to fund 20 years of debt service to fund approximately \$22 million of necessary capital improvements and repairs to buildings and infrastructure.
8. **Seek Increase in Lodging Tax:** The State Fair Board should immediately seek the Lancaster County Board's approval to increase the Lodging Tax by one half of a percent, or \$225,000. In turn, the additional net tax proceeds should be allocated to State Fair Park to aid in the future capital needs of State Fair Park. This action would be a local match to the proposed \$2 million annual Lottery Proceeds.
9. **Complete the Antelope Valley Projects:** It is very important to State Fair Park's viability that the City and the other two Antelope Valley partners continue to fund and complete the Antelope Valley projects as soon as possible. When completed, the new roadways and waterway infrastructure next to State Fair Park will enhance the State Fair Park's access, travel time, visibility, and aesthetics. The completion of the Antelope Valley projects was the Partnering Committee's highest priority strategy to improve the presentation of State Fair Park.
10. **Raise Private Contributions:** Over the next ten years, the Nebraska State Fair 1868 Foundation should raise \$8 million to assist State Fair Park projected capital and programming deficits. The present campaign chaired by Governor Mike Johanns and First Lady Stephanie Johanns needs to be expanded and become part of the effort to obtain State support of the \$2 Million Annual Lottery Proceeds strategy.
11. **Horse Racing Industry Needs to Fund Approximately One Half of a New Horse Racing Facility:** In order for the State Fair to become viable, it appears that a new \$10 million racing facility could bring in needed revenue to State Fair Park. State Fair Board should consider asking its strategic ally, the horse racing industry, to fund approximately one half (\$5 million) of a new horse racing facility. With talk of horse racing combining forces with expanded gambling interest, it is hard to predict whether the horse racing industry will be willing to fund one half of a new horse racing facility at State Fair Park.

## **I2. Action Plan's Twenty Year Cash Flow Analysis**

The final step is to test whether the eleven Action Plan recommendations, if implemented, would theoretically solve the long term economic crisis of State Fair Park. The Partnering Committee requests the State Fair Park Staff to run a 20 year cash flow projection based upon the following:

- (i) The Action Plan recommendations would be adopted and implemented in a timely manner;
- (ii) The Nebraska voters would approve the proposed Constitutional Amendment, in November 2004, allowing State Fair Park to receive 10 percent split of the State's Lottery proceeds or approximately \$2 million annually;
- (iii) The model first year (2004) base line would start from State Fair Park's 2003 financial statements and records; and
- (iv) The other modeling assumptions would be based upon the opinions and judgments of the State Fair Park Staff.

Appendix 9 includes the Twenty Year Cash Flow analysis showing Concept B2 with income and expenses from live and simulcast horse racing. Appendix 10 includes Concept B2 without the income and expenses from live and simulcast horse racing (Concept B2a). Both Concepts are based upon three different options: Best, Better or Worst Case. Under the Worst Case model, State Fair Park is not economically viable under either Concept. The Worst Case assumptions are harsh and in the State Fair Park Staff's opinion, "not realistic." In the State Fair Park Staff's opinion, they think that an average of the Best and Better Case is the most likely outcome of either Concept.

<b>State Fair Park's Projected Cash Position in Twenty Years</b>	
<b>Figure 21</b>	
<b>Year 2025</b>	<b>Cash Balance</b>
Average Accumulative cash flow after twenty years –With Horse Racing (Concept B2)	\$5,705,193
Average Accumulative cash flow after twenty years –Without Horse Racing (Concept B2a)	-\$29,923,332

## Section I

Source: Nebraska State Fair Staff

Figure 21 above shows the accumulative cash flow after twenty years (Year 2025) based upon the average of the Best and Better Case. The twenty year model results suggest that State Fair Park would be showing a positive cash position of \$5,705,193 assuming horse racing and a negative cash position of (\$29,923,332) assuming no horse racing.

## Appendix 1

### Members of the Partnering Committee

Larry Bare  
Governor's Office

Lori McClurg  
State Department of Administrative  
Services

Merlyn Carlson  
State Department of Agriculture

Senator Landis

Senator Schimek

Senator Beutler

Pat Lloyd  
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Mark Whitehead  
Nebraska State Fair 1868 Foundation

Chancellor Perlman  
University of Nebraska-Lincoln

Denny Oelschlager  
State Racing Commission

Mayor Coleen Seng

Bernie Heier  
Chair, Lancaster County Commissioners

Dr. Phil Schoo  
Lincoln Public Schools

Charlie Claus  
Lincoln Independent Business Assn

Jim Fram  
Lincoln Chamber of Commerce

Polly McMullen  
Downtown Lincoln Association

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Pinnacle Bank

The Staff Group advising the Partnering Committee included:

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Lincoln Chamber of Commerce

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Joe McDermott  
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Antelope Valley Design Team

Lynn Johnson  
City Parks and Recreation Department

Don Herz  
City Finance Department

Roger Figard  
City Public Works

Dennis Van Horn  
Lincoln Public Schools

Jim Tucker  
International Association of Expositions

Kent Seacrest  
Seacrest & Kalkowski PC  
Facilitator

## Appendix 2

### Key Information & Other Ideas

#### 1. Operating Assistance: Other Multi-Purpose Facilities

The proposed 75,000 square foot multi-purpose facility initial construction cost is estimated at \$9 to \$11.25 million. In addition, such a facility generally needs operating assistance, which has been estimated to be \$300,000 per year. This assistance amount compares to the following other governmental support facilities:

Other Facilities Annual Governmental Assistance 2003 Figure 22	
Facility	Annual Assistance
Pershing Auditorium	\$400,000
Lancaster County Events Center	\$451,000 (\$171,000 operating and \$280,000 for capital improvements)

Source: Staff Group and Lancaster County

#### 2. Best Management Practices and Indirect Expenses Allocation.

The State Fair Board should verify that all their direct and indirect expenditures are necessary and reasonable and that operating procedures are following “best management practices.” The 2003 budget showed \$2.8 million of indirect overhead expenses (e.g., wages, utilities, taxes, insurance, materials, administrative, depreciation, etc.) to service their four primary operating areas: State Fair, live horse racing, simulcast horse racing, and off-season events. It is important that the State Fair Board carefully review their direct and indirect expenditures to be sure there are no additional strategic savings to be found. Requesting new or expanded revenue sources from the public sector and private sector will be difficult to obtain if the State Fair Board operations and expenditures are not deemed “lean and mean” and all reasonable inefficiencies and wastes have been removed.

In addition to double checking for potential savings of expenditures, the State Fair Board should review its current “Indirect Expenses” allocation formula to be sure the indirect or overhead expenses are being fairly allocated between their four primary operating areas. The present budget allocation formula suggest that simulcast racing is losing money as well as the other three operating areas, yet most knowledgeable horse racing veterans believe this is not the case. The

following chart (Figure 23) compares the \$2.8 million Indirect Expenses to Profits before Indirect Expenses and Losses:

<b>Indirect Expenses compared to Profits Before Indirect Expenses and Losses Figure 23</b>						
Operating Areas	Indirect Expenses	%	Profit Before Indirect Expenses	%	Losses	%
State Fair	\$731,919	25.9	\$524,918	25.0	\$207,002	28.6
Live Horse Racing	\$454,205	16.1	\$244,873	11.7	\$209,331	28.9
Simulcast Horse Racing	\$1,016,412	36.0	\$883,585	42.0	\$132,826	18.4
Off-Season Events	\$622,495	22.0	\$447,960	21.3	\$174,536	24.1
Total	\$2,825,031	100%	\$2,101,336	100%	\$723,695	100%

Source: Staff Group

3. Number of Live Horse Racing Days in Nebraska

<b>Number of Live Horse Racing Days in Nebraska Figure 24</b>		
Location	Live Racing Days	%
Lincoln - State Fair Park	34	33
Grand Island - Fonner Park	38	37
Columbus - Agricultural Park	25	24
South Sioux City - Atokad	2	2
Omaha - Horseman's Park	4	4
Total	103	100%

Source: Nebraska State Fair Staff



# Appendix 3

Fiscal Year	State Funding - Programming	State Funding- Maintenance of Grounds and Facilities	State Funding -Capital Construction Projects	County Funding - Operational costs	City Funding (motel tax) - Operational costs	State Funding- state sales tax - returned for Capital projects	Bond money for Master Plan projects
<b>1998</b>							
North Dakota State Fair	160,000	0	105,000	85,678	80,000	0	0
Kansas State Fair	115,000	0	113,168	0	0	0	0
Missouri State Fair	989,532	94,689	1,213,696	0	0	0	0
Minnesota State Fair	0	0	0	0	0	890,000	0
Iowa State Fair	0	0	4,400,000	0	0	0	0
Nebraska State Fair	203,242	0	0	0	0	0	0
<b>1999</b>							
North Dakota State Fair	170,000	0	105,000	91,600	80,000	0	0
Kansas State Fair	125,000	0	260,000	0	0	0	0
Missouri State Fair	848,360	94,689	212,000	0	0	0	0
Minnesota State Fair	0	0	0	0	0	922,000	0
Iowa State Fair	0	0	5,420,000	0	0	0	0
Nebraska State Fair	237,762	0	0	0	0	0	0
<b>2000</b>							
North Dakota State Fair	170,000	0	105,000	95,300	57,600	0	0
Kansas State Fair	158,150	0	300,000	0	0	0	0
Missouri State Fair	857,608	94,689	3,031,504	0	0	0	0
Minnesota State Fair	0	0	0	0	0	1,068,000	0
Iowa State Fair	0	0	5,000,000	0	0	0	0
Nebraska State Fair	243,967	0	27,069	0	0	0	0

Fiscal Year	State Funding - Programming	State Funding- Maintenance of Grounds and Facilities	State Funding -Capital Construction Projects	County Funding - Operational costs	City Funding (motel tax) - Operational costs	State Funding- state sales tax - returned for Capital projects	Bond money for Master Plan projects
<b>2001</b>							
North Dakota State Fair	182,500	0	105,000	180,139	95,000	0	0
Kansas State Fair	134,000	0	300,000	0	0	0	0
Missouri State Fair	717,792	94,689	1,668,240	0	0	0	0
Minnesota State Fair	0	0	0	0	0	1,113,000	0
Iowa State Fair	0	0	5,000,000	0	0	0	0
Nebraska State Fair	306,208	0	0	0	0	0	0
<b>2002</b>							
North Dakota State Fair	176,462	0	105,000	190,366	99,000	0	0
Kansas State Fair	134,000	0	0	0	0	0	17,500,000
Missouri State Fair	652,960	86,870	1,989,195	0	0	0	0
Minnesota State Fair	0	0	0	0	0	1,115,000	0
Iowa State Fair	0	0	500,000	0	0	0	0
Nebraska State Fair **	293,450	0	610,156	0	0	0	0
<b>2003</b>							
North Dakota State Fair	185,875	0	105,000	195,600	101,000	0	0
Kansas State Fair	0	0	294,000	0	0	0	0
Missouri State Fair	605,776	92,824	1,200,000	0	0	0	0
Minnesota State Fair	0	0	0	0	0	0	0
Iowa State Fair	0	0	500,000	0	0	0	0
Nebraska State Fair	0	0	0	0	0	0	0
<b>2004</b>							
Kansas State Fair	0	0	0	0	0	0	7,500,000

Totals for 1998 - 2004	State Funding - Programming	State Funding- Maintenance of Grounds and Facilities	State Funding -Capital Construction Projects	County Funding - Operational costs	City Funding (motel tax) - Operational costs	State Funding- state sales tax - returned for Capital projects	Bond money for Master Plan projects	Total Funding - All Sources
North Dakota State Fair	1,044,837	0	630,000	838,683	512,600	0	0	3,026,120
Kansas State Fair	666,150	0	1,267,168	0	0	0	25,000,000	26,933,318
Missouri State Fair	4,672,028	558,450	9,314,635	0	0	0	0	14,545,113
Minnesota State Fair	0	0	0	0	0	5,108,000	0	5,108,000
Iowa State Fair	0	0	20,820,000	0	0	0	0	20,820,000
Nebraska State Fair ***	1,284,629	0	637,225	0	0	0	0	1,921,854

No response from Colorado, Wyoming or South Dakota

\*\* Nebraska's 2002 programming funding was a federal grant through the Nebraska Department of Agriculture.

\*\*\* Nebraska's programming funding was for fair premiums and the administration of 4H, FFA and Open class fair departments.

# Appendix 4

Bldg No.	Building Name	Ext'g GSF	ADA	Fire Life/Safety	Deferred Repairs	Energy Conservation	Total Bldg-Renewal	Other
	NEW MULTI-PURPOSE EXHIBIT HALL	75,000						\$10,000,000
								\$2,500,000
	<b>Building Priorities</b>							<b>\$12,500,000</b>
	<b>UTILITY INFRASTRUCTURE UPGRADES</b>							
	Water							\$ 600,000
	Sanitary Sewer							\$1,400,000
	Electrical							\$1,100,000
	Streets							\$5,000,000
	Sidewalks & Pedestrian Ways							\$ 750,000
	<b>INFRASTRUCTURE UPGRADES SUBTOTAL</b>							<b>\$ 8,850,000</b>
	<b>TOTALS - Phase I</b>							<b>\$21,350,000</b>
110	Auditorium	\$29,019	\$30,000		\$187,000		\$217,000	
2583	Cunningham School-Heritage Village	\$ 600	\$2,700		\$3,000		\$5,700	

2586	Restroom Midway D	\$650	\$16,200	\$24,000	\$40,200
2587	Restroom Barn # 10-F	\$1,000	\$26,000	\$23,000	\$49,000
2589	Restroom Dunham B	\$1,200	\$10,400	\$197,100	\$208,100
2590	Restroom Campgrounds E	\$700	\$16,000	\$4,000	\$20,000
3779	Beef Pit	\$6,000	\$20,400		\$20,400
1302	Youth Complex-Open Arena	\$17,000	\$90,000	\$2,500	\$92,500
1305	Arsenal (leased to NEANG)	\$8,370	\$7,000		\$ 7,000
1309	University Museum	\$2,000	\$ 16,000	\$ 70,500	\$86,500
2575	Horse Barn # 03	\$8,000		\$358,000	\$358,000
2579	Depot Beer Garden / (West)	\$1,200	\$8,000	\$100,000	\$108,000
3095	Game & Parks - Hunter Education	\$3,000	\$7,100		\$7,100
3776	Youth Complex - concessions	\$2,500	\$8,000	\$2,000	\$10,000
	NEW MAINTENANCE FACILITY	\$6,000			\$600,000
92	Horse Barn #10	\$60,480		\$8,000	\$8,000
93	Horse Barn #7	\$49,600		\$21,000	\$21,000
94	Horse Barn #6	\$49,600		\$15,000	\$15,000
101	4-H Barns / Youth Complex - beef	\$55,000		\$2,500	\$2,500
103	Food Plaza	\$13,800	\$25,000	\$15,000	\$40,000
104	Coliseum / Ice Box	\$79,099		\$6,000	\$6,000
2572	Horse Barn # 05	\$7,700		\$23,500	\$23,500

2573	Horse Barn # 04	\$15,500			\$47,000	\$47,000
2578	Residence Campground 3 02	\$1,500			\$750	\$750
2582	Cheney Post Office-Heritage Village	\$4250	\$5,500		\$300	\$5,800
2584	Hudson Log Cabin-Heritage Village	\$250	\$2,000			\$2,000
2585	Roca Depot-Heritage Village	\$600	\$4,000		\$5,500	\$9,500
3612	Lancaster Building	\$21,000			\$2,000	\$2,000
3775	Youth Complex-Office/Classroom	\$13,000			\$50,000	\$50,000
<b>TOTALS - Phase 2</b>		<b>\$374,618</b>	<b>\$294,300</b>	<b>\$600</b>	<b>\$1,167,650</b>	<b>\$1,462,550</b>
<b>ITEMS REMOVED FROM ORIGINAL MASTERPLAN</b>						
112	Industrial Arts	\$91,695	\$305,000	\$343,500	\$610,000	\$1,308,500
102	Youth Complex-Exhib / 4-H Bldg.	\$66,825	\$227,000	\$251,000	\$936,000	\$1,499,000
106	Exposition Building	\$21,000	\$60,000	\$16,000	\$10,000	\$86,000
111	Administration Building	\$14,362	\$82,000	\$510,500	\$132,000	\$752,500
108	Grandstand	\$156,544	\$150,000		\$1,046,000	\$1,196,000
109	Agriculture Hall	\$33,840	\$32,000	\$246,000	\$8,000	\$286,000
110	Auditorium	\$29,019				\$1,336,400
	ELECTRICAL SERVICE - upgrades					\$142,630
	ELECTRICAL SERVICE - undgrd loop					\$297,336

REPLACEMENT BARN		
COMPLEX	\$224,000	
NEW COLISEUM		\$14,560,000
		XX
NEW VISITOR PAVILION		XX
<b>SUBTOTALS</b>		<b>\$27,544,266</b>

## Appendix 5

### State Fair Infrastructure Replacement Value Estimates (December 2, 2003)

Infrastructure Items	Replacement Value	*Depreciation Value	Life Expectancy Baseline
Water	\$600,000	\$50,000	60 Year
Sanitary Sewer	\$1,400,000	\$140,000	50 Year
Electrical	\$1,100,000	\$683,300	30 Year
**Streets	\$5,000,000	\$1,000,000	25 Year
Sidewalks & Pedestrian Ways	\$750,000	\$93,750	40 Year
<b>TOTAL</b>	<b>\$8,850,000</b>	<b>\$1,967,050</b>	

**Source:** Olsson Associates

**Note:** Olsson Associates has not undertaken a detailed inspection and testing of the infrastructure items. Olsson Associates could not observe the underground utility items such as water and sanitary sewer, but did a visual inspection of the above ground infrastructure items (streets, sidewalks, and pedestrian ways). Olsson Associates believes that most of the above ground infrastructure items are at the end of their useful life and will soon need replacement. Asphalt surfacing for streets and concrete surfacing for sidewalks was utilized for purposes of establishing a replacement value.

\*For depreciation value, all infrastructure items are thought to have 5 years of useful life remaining except for the electrical item in which \$600,000 is included with a full life expectancy as the result of the 2003 improvements.

\*\*This item does not include the value of the existing storm sewer system



## Appendix 6

### A. State Fair Park Existing Condition

#### 1. Positive Attributes:

- a. Many State Fair buildings and facilities
- b. Close proximity to Downtown and tourist attractions (e.g., Historical Museum, Morrill Hall)
- c. Historical buildings
- d. Future Antelope Valley roadway and waterway improvements.
- e. Large mature trees.

#### 2. Negative Attributes:

- a. Many buildings functionally obsolete or in need of major repairs.
- b. Infrastructure in need of repair
- c. 60% of the land in the 100 year designated floodplain (See Figures 9 & 10)
- d. Historic buildings in need of major restoration
- e. Potential environmental issues (asbestos, buried rubble, sludge and tanks)

## Appendix 7

### Concept B – Smaller/Better State Fair

This concept as outlined by the committee asks the question – “Can the State Fair and its related activities be reorganized and possibly down-sized to reestablish long-term economic viability?”

Before answering this question, an examination of the basic activity elements of a State Fair would be appropriate. Unlike festivals and other events of a single-purpose nature, fairs are based upon a number of activities, each designed to appeal to a particular demographic, or group of individuals. Livestock shows, commercial products, a vast array of food, cultural exhibits, activities designed to entertain and educate children, the midway, concerts (paid and free), grounds acts, state historical exhibits, and ethnic festivals are representative of the activities necessary to truly be considered as a state fair. Such a designation implies that the people attending this event will be exposed to different activities that are in some way reflective of their home state. They should depart with a renewed sense of pride about being Nebraskans'. And, they should have had some fun along the way.

Back to the question – any organization and/or event can always benefit from an objective examination. Economies of scale, consolidation of activities and better utilization of human resources can result from such a process. However, a reduction in overall scale and scope of the event can leave a less than positive effect. While a savings at some level might result, will the resulting event remain able to attract patrons? For example, fewer livestock shows would certainly permit a savings in personnel and barn maintenance costs. However, fewer livestock exhibitors mean less people to purchase admission tickets and purchase product from vendors. A reduction in such activity also translates to less opportunity from Nebraskans' from around our state to participate.

The fair can produce fewer paid concerts, resulting in fewer costs associated with production, guarantees, advertising, etc. Will the bill of second tier artists be sufficient to attract large number of patrons? A reduction in the amount of space provided for commercial exhibitors would mean less expenses for clean-up on a daily basis, fewer security personnel, and less money spent for rent of the Devaney Center. Would the resulting product be attractive enough that patrons would elect to come to the fair instead of the shopping mall? Certainly a savings can be realized by booking fewer grounds acts. However, the absence of such activity makes a much less exciting atmosphere and takes the fair down to a level commensurate with a normal stroll through any city park. Less excitement means that patrons will spend less time on the grounds, translating to reduced sales for vendors.

These points are shared not to indicate that a down-sizing resulting from some re-organization is not possible. Rather, they are offered as examples as what will likely result. Given the competition faced by all fairs, it is imperative that ways be found to improve the overall presentation. If the State Fair's product is not up to a level that stands out from the entertainment options available to our patrons at any time of the year, it will never enjoy the success it could otherwise.

The Nebraska Sate Fair is at a critical juncture. Two options are available; down-sizing, which could mean a further decline in attendance, attributable to fewer events and attractions, or a combined effort on the part of the State of Nebraska, Lancaster County, the City of Lincoln, and the State Fair Board to completely reshape the product. That being said, the amount of space required to accommodate a reinvigorated fair will be very similar to the space currently being utilized as reflected on the attached pages.

## Square Footage of Existing Fair Facilities

### Exhibit Area

4-H Demo Rooms	13,000
4-H Exhibit Hall	40,000
Ag Hall	33,000
Blue Flame	4,500
Coliseum	79,099
Devaney	68,000
Expo	21,000
Farmland	3,000
Fire Marshall Bldg	n/a
Game & Parks	n/a
Heritage Bank	n/a
Heritage Depot	600
Heritage House	250
Heritage Post Office	250
Heritage School	600
Industrial Arts-Balcony	32,000
Industrial Arts-Main	39,000
Lancaster	21,000
Morton Building	2,450
Morton Garage	1,620
Sherrif's Building	n/a
UNL	2,000
<b>Total</b>	<b>361,369</b>

### Administration

Administration	14,362
Ticket Office	896
<b>Total</b>	<b>15,258</b>

### Maintenance

Wood Shop	1,200
Elec. Shop	600
Garden Shop	700
Paint Shop	500
Maint. Shop	600
Plumbing Shop	600
Welding Shop	960
<b>Total</b>	<b>5160</b>

### Food Service

Beef Pit	6,000
Cafe	5,000
Depot Beer Garden	1,200
East Beer Garden	1,200
Food Plaza	13,800
Kiwanis	5,000
Jake & Eddies	4,500
Topper I	1,700
YC Food Stand	2,500
<b>Total</b>	<b>40,900</b>

### Entertainment

Devaney - Concerts (seating floor area only)	16,500
Grandstand	156,544
Open Air Aud	29,019
<b>Total</b>	<b>202,063</b>

### Livestock

Dempster Building	5,000
4-H Barns-large	55,000
4-H Barn-small	41,946
Open Youth Arena	17,000
Horse Brn 10	60,480
Horse Barn 7	9,600
Horse Barn 6	9,600
Horse Barn 5	7,700
Horse Barn 4	15,500
Horse Barn 3	8,000
Horse Barn 2	11,760
Dairy Barn	33,633
Beef Barn	57,000
Swine, Sheep, Goats	57,600
Horse Barn 1	38,796
Milking Parlor	800
4-H Arena	20,000
<b>Total</b>	<b>449,415</b>

Grand Total                      1,074,165

## Square Footage of Fair Facilities - REDUCED

### Exhibit Area

*4-H Demo Rooms	
4-H Exhibit Hall	40,000
Ag Hall	33,000
Blue Flame	4,500
Coliseum	79,099
Devaney	68,000
Expo	21,000
*Farmland	
Fire Marshall Bldg	n/a
Game & Parks	n/a
Heritage Bank	n/a
Heritage Depot	600
Heritage House	250
Heritage Post Office	250
Heritage School	600
*Industrial Arts-Balcony	
*Industrial Arts-Main	
Lancaster	21,000
Morton Building	2,450
Morton Garage	1,620
*Sherri's Building	
UNL	2,000
<b>Total</b>	<b>274,369</b>

### Administration

*Administration	10,000
Ticket Office	896
<b>Total</b>	<b>10,896</b>

### Maintenance

Wood Shop	1,200
Elec. Shop	600
Garden Shop	700
Paint Shop	500
Maint. Shop	600
Plumbing Shop	600
Welding Shop	960
<b>Total</b>	<b>5160</b>

### Food Service

Beef Pit	6,000
Cafe	5,000
Depot Beer Garden	1,200
East Beer Garden	1,200
Food Plaza	13,800
Kiwanis	5,000
Jake & Eddies	4,500
Topper I	1,700
YC Food Stand	2,500
<b>Total</b>	<b>40,900</b>

### Entertainment

*Devaney Concerts (seating floor area only)	
Grandstand	156,544
Open Air Aud	29,019
<b>Total</b>	<b>185,563</b>

### Livestock

*Dempster Building	
4-H Barns-large	55,000
4-H Barn-small	41,946
Open Youth Arena	17,000
Horse Brn 10	60,480
Horse Barn 7	9,600
Horse Barn 6	9,600
Horse Barn 5	7,700
Horse Barn 4	15,500
Horse Barn 3	8,000
Horse Barn 2	11,760
Dairy Barn	33,633
Beef Barn	57,000
*Swine, Sheep, Goats	45,000
Horse Barn 1	38,796
Milking Parlor	800
*4-H Arena	
<b>Total</b>	<b>411,815</b>

*Reduction amount	145,462
<b>REDUCED Grand Total</b>	<b>928,703</b>

## **EXHIBIT AREAS**

**4-H Demo Rooms:** Fair-time only used 2<sup>nd</sup> weekend for home cooking and other demonstrations by 4-H Clubs, could look at moving these to the Expo Stage. Off-season is used by Parkview Christian School and Cornhusker State Games.

**4-H Exhibit Hall:** 4-H displays, not as big & bold as they used to be. Very upper ½ of this roof still leaks onto the 2<sup>nd</sup> floor.

**Blue Flame:** Most recently, Froggy 98 has been used for activities. In the past, it has been different restaurant(s) and also a beer garden. The location might lend better to Kids activities, wine or arts festival, or arboretum demonstrations. Tent top \$4000.00, a lattice & vine top might be as interesting for less expense.

**Ag Hall:** Commercial, educational, and state exhibits, Mad Science, McDonalds display and Bee Culture during the Fair. **Most revenue producing building in the off-season.**

**Devaney:** All commercial, educational, and state exhibits, some empty spaces, need something more to draw the people in. Building owned and operated by University in off-season.

**Exposition:** Fair exhibits could be displayed closer together, possibly allowing more display area for quilts or related items. Off-season, craft show rental, but primarily used for simulcasting (horse races) that moves out of the Grandstand October – April.

**Farmland:** Education displays and competitions. These could be moved if a different use was found for the building during the Fair. Off-season, used by Parkview Christian School and Cornhusker State Games.

**Fire Marshall:** Year-round office for Fire Marshall. Display open during the Fair.

**Game & Parks:** Aquariums, parks information during the Fair. Off-season used for hunting education classes, area is owned and operated by the State Game & Parks Commission.

**Heritage Village Buildings:** Heritage School is used by LPS throughout the school year for 4<sup>th</sup> Grade class history day. The entire area is open and used as historical area during the Fair.

**Industrial Arts Balcony:** Train display by local Railroad Club, for Fair and during off-season.

**Industrial Arts Main Floor:** Quilts, trains, crafts, 2 concession (food) stands. Holes in roof, crumbling brick (impossible to clean), and displays could be relocated without too much problem. Off-season used for public boat & camper storage, and Fair equipment storage, also Railroad Club.

**Lancaster:** Joint ownership b/n State & County Fair Boards. Display of Ag Products, Horticulture, Christmas Trees, and Family Fun Farm during the Fair. Off-season rentals include wedding receptions, holiday parties, craft shows, et., no air conditioning.

**Morton Building:** '03 used for First Aide and Fire Rescue display and headquarters, before then, it was 4-H Cyber Fair display. Off-season, the building would lend itself to small gatherings, currently used by Parkview Christian School most of the year.

**Morton Garage:** NE State Patrol display & office during the Fair. Off-season, rented to United Rentals for equipment storage.

**Sheriff's Building:** Year-round office for Sheriff's Department.

**UNL Building:** University has Nebraska Food Products Display during the Fair. Limited on off-season appeal, restrooms in the building would be helpful for rentability.

### **ADMINISTRATION**

**Administration Building:** Year-round offices, some that are revenue producing in the winter. Used for Live Race season operations. Two "rentable" meeting or party rooms in the basement.

**Ticket Office:** Year-round offices, moves out during the fair leaving a great location that the Lottery has utilized in the past.

### **MAINTENANCE**

Wood Shop:

Electric Shop:

Garden Shop:

Paint Shop:

Maintenance Shop:

Plumbing Shop:

Welding Shop:

### **FOOD SERVICE**

**Beef Pit:** Owned by NE Cattlemen Association. They use for some off-season events. Used as a sit-down restaurant during the State Fair.

**Café:** Most recently the USA Steak Buffet restaurant (Fair). Used in off-season as Penalty Box Pub II (after hockey & basketball games).

**Depot Beer Garden:** Fair, most popular beer garden, used during Live racing for beer garden and karaoke.

**East Beer Garden:** Off-season, volleyball and some fraternity gatherings. Fair beer garden. Located in the East Exhibit area, more attraction is needed to reap real benefits.

**Food Plaza:** 10 restaurants, some are chains, some are original. Restaurants and dinning areas used some in the off-season for food service and/or displays.

**Kiwanis:** Breakfast, lunch, early dinners. Primarily Fair time, some off-season events sponsored by Kiwanis Club. Possibly could be a beer garden or different type of restaurant.

**Jake & Eddies:** Local restaurant owners, burgers, shakes, fries, cheese steak sandwiches.

**Topper I:** Owned & operated by Chris Stone & Joe Price, old time burgers, shakes, etc. Coming up on a major anniversary.

**YC Food Stand:** Operated by 4-H kids, open mostly 2<sup>nd</sup> weekend of Fair, some operation at beginning of Fair as well. Location is not optimal, rather hidden.

## **ENTERTAINMENT**

**Coliseum:** Used in the off-season by Lincoln Stars Hockey. Used during the Fair for horse shows and competitions. It used to have commercial exhibits and rodeos (before the recent building renovation). Possible new home for FFA Static exhibits in 2004 Fair, could eventually be used for public ice skating or an ice show during the Fair, if a new location would be found for the horse shows.

**Grandstand:** Fair use is for Tractor Pulls, Car Racing, Demolition Derby. Inside, 2<sup>nd</sup> Floor area used to be for commercial vendors, or car show. Off-season, Live and simulcast horse racing venue. Also used for off-season Monster Truck Show, inside used for book sales and pool tournaments.

**Open Air Auditorium:** Free Stage during the Fair, Older Nebraskan's and Veteran's Day activities, evening free concert venue. Off-season rentals have included Bluegrass Festival, Clog Dance finale performance, meeting place for Volks walk, and Cornhusker State Games Family Festival.

## **LIVESTOCK FACILITIES**

**Dempster Building:** Pigeon and poultry display, then 4-H rabbits during the Fair. Used in the off-season for equipment storage.



**4-H Barns – large:** Fair used for llamas, then 4-H animals on 2<sup>nd</sup> weekend. Off-season use is minimal, Cattle sale in 2004, Swap Meet, and Americruise Car show

**4-H Barns – small:** Fair used for sheep, then 4-H animals on 2<sup>nd</sup> weekend. Off-season use is minimal.

**Open Youth Arena:** Fair used for some horse shows, llamas, longhorn cattle, and 4-H. Off-season events include circus performances, cattle auction, etc.

**Horse Barn 2 – 10:** Used during the Fair and Live Race meet for stalling horses.

**Dairy Barn:** Fair animal stalls. Off-season boat, camper, and fair storage.

**Beef Barn:** Fair animal stalls. Off-season boat, camper, and fair storage.

**Swine, Sheep, & Goat Barn:** Fair animal stalls. Off-season VIP parking for University Basketball games, has been rented to State for vehicle storage.

**Horse Barn 1:** Fair animal stalls. Off-season boat, camper, and fair storage.

**Milking Parlor:** Fair dairy cattle milking. No off-season events.

**4-H Arena:** Fair 4-H shows and competitions. Off-season dog agility activity (year-round).

## Outside Display/Activity Areas

(Minimum square footage)

### Kidz Zone

Petting Zoo	75 x 100	7,500
Birthing Pavilion	tent 60 x 75	4,500
Bingo	tent 60 x 60	3,600
Chainsaw Carvers	50 x 50	2,500
Dog Show	45 x 75	3,375
Kachunga	35 x 65	2,275
Playground	40 x 50	2,000
Rock Climbing Wall	30 x 30	900
Open space (walking)		xxx
Seating		xxx
<b>Total Kidz Zone</b>		<b>26,650</b>

### MarketPlace

Commercial Exhibitor	550 x 125	68,750
Grand Festival Tent	80 x 255	20,400
<b>Total Marketplace</b>		<b>89,150</b>

### Midway

**318,200**

### Food Vendor Locations

(Trailer sites)		-
Main Street	475 x 10 x 2	9,500
In & around Market Place	200 x 10	2,000
Open Air Hill	150 x 10 x 2	3,000
Others	20 x 10 x 11	2,200
<b>Total Food</b>		<b>16,700</b>

### Miscellaneous

Outside Commercial Space		
Main street west side	175 x 40	7,000
North of Ag Hall	150 x 12	1,800
South of MarketPlace	100 x 15	1,500
East Exhibit Area		100,000
Arboretum garden	n/a	
<b>Total Miscellaneous</b>		<b>110,300</b>

**Grand Total                      561,000**

## NEBRASKA STATE FAIR REDEFINED

### THESIS

The Nebraska State Fair can become a more viable event, both economically, and as measured by the sense of pride it can bring to Nebraskans. To do so, it must provide the structure and opportunities for our residents to celebrate the identity and character of Nebraska.

### FAIR COMPONENTS

Identified below are the basic elements of our fair, and what should occur to make them more viable. By so doing, the fair will enjoy more participation and attendance.

#### 1. Livestock Shows

##### A. Premium Structure

The fair has, for the past several years, been offering total premiums of approximately \$150,000 for livestock show participants. Two factors support an increase to overall premiums paid; (1) increased cost to raise an animal, and then bring it to the fair, and (2) increased competition from other fairs for quality livestock exhibits. An increase in premiums paid will bring better, and more, exhibits. With them will come family members and friends. Recommend an increase in livestock premiums to \$200,000. With the increase in premiums will come a responsibility on our part to ensure their distribution in a fair and equitable manner.

##### B. Youth Livestock Sale

Successful livestock shows at fairs around the country include a major sale for junior livestock exhibitors. Financial gain for these young people must be balanced with the basic life skills that come with animal husbandry. Accordingly, common practice is to place a limit on the amount of money received by a particular exhibitor. The balance going toward a scholarship fund from which 4H and FFA exhibitors might apply for higher education tuition.

The Governor's Celebrity Cattle Show could serve as the nucleus for such an event, expanding participation by permitting more species participation. The inclusion of a certain number of sheep

and swine, and expanding the number of cattle, would permit more participation by young exhibitors.

A standing committee would be formed (Ringmasters?) whose responsibility would be to solicit buyers from their peers in the business community around the state. One need look no further than the very successful Blue Ribbon Sale at AK-SAR-BEN to see the value of such an event. Young exhibitors have incentive to bring the very best animals, and the business community is afforded an opportunity to "give back" to the single most important element of Nebraska's economy – agriculture!

Actual cost of the event to the organization would likely be in the \$50,000 range, attributable to staff cost to support the Ringmasters, sale personnel, including auctioneers, and miscellaneous costs associated with sale ring set-up. An arrangement with the state 4H and FFA organizations would be required to administer the scholarship element.

C. State Department of Agriculture

This organization has a number of program elements that would lend themselves to involvement at the fair. Crop development, the effect of drought on ground water, international sale of Nebraska products and a program devoted to the application of science and technology to today's farmer would be of great interest to fair patrons, rural and urban alike. And, such displays and exhibits would be an opportunity for this department to meet its mission of serving Nebraskans' by demonstrating what it is doing on their behalf.

Ag Hall (23,000 sq. ft.) would be devoted to this activity, perhaps in combination with exhibit support from the Farm Bureau. Cost to the Department of Agriculture would be the \$15,000 - \$20,000 that would have otherwise resulted from booth rental to vendors selling commercial products.

D. University of Nebraska

An exhibit should be developed in the Devaney Center, with approximately 10,000 sq. ft. devoted to the University telling its story to Nebraska. All four campuses would be involved, each focusing on its particular strengths. The athletic department should be included, featuring a panorama of all sports programs, anchored by "star" athletes from all sports.

The university system, like many around the country, is facing competition for new students. The pool of prospective students is smaller than in previous years and all universities are looking for ways to increase enrollment. What better way to "keep our young people in Nebraska" than by affording our wonderful university system an opportunity to showcase at the fair?

Cost to the fair – the University would be required to pay prevailing rental rates in the Devaney Center.

## 2. Entertainment

### A. Free Concerts

The prevailing theory as regards how many free concerts should be provided during the fair is that they are needed primarily on weeknights, as those are the "slow" periods. In our case however, every evening would benefit from such activity. In addition to drawing patrons to view the shows, the fair partners benefit from these individuals being on the grounds to make purchases.

The fair spent approximately \$65,000 for four free concerts during the 2003 fair. These events were held on Monday, Tuesday and Wednesday evening. Recommend that an amount of \$200,000 be identified as funding to support such activity on 10 evenings during the fair. Stronger acts would be provided on weeknights, for the reason noted above.

The very real possibility exists to secure a sponsorship of the Open-Air Auditorium, with the right talent line-up. These funds could be used to offset the fairs cost, or be applied toward even more shows.

### B. Grounds Acts

The value of such activity lies in providing continuous entertainment for our patrons. The fair spent approximately \$45,000 in this category at the 2003 fair. An amount of \$125,000 should be made available to expand the amount of such activity around the grounds.

### C. Paid Concerts

Always a challenge, it is difficult to predict which act will sell the most tickets. Given the relatively small seating capacity of our venue (Devaney Center), it is difficult to book a major act, and then

be assured that enough of the relatively high-priced tickets required to ensure meeting the artists' guarantee, will sell.

The fair is at a pivotal point as relates to continuing such activity. Competition from new venues, absence of beer sales, ever-increasing artists' guarantees and a public perhaps not ready to pay higher ticket costs, all are working against this kind of entertainment at the fair. It is an issue requiring much serious consideration.

### 3. Exhibits

#### A. Other State Agencies/Departments

Like the Department of Agriculture, there are other State agencies with a story to be told at the fair. Tourism and Economic Development are examples of taxpayer-supported operations whose mission is to "sell" Nebraska, in one way or another. Exhibits at the fair would afford these organizations an opportunity to tell their story to thousands of Nebraskans', and would bring the constituent groups to the fair, as well. The cost to the fair would be negligible as these agencies would be required to purchase exhibit space at prevailing rates.

#### B. Traveling Exhibits

A number of national organizations provide exhibits that "travel" the country. From the National Geographic Society to the National Center for the Performing Arts, such exhibits provide entertainment, and provide information not always available at the local level.

Typically, such exhibits are in the \$25,000-\$30,000 range. An additional expense of approximately \$20,000 would be required to pay the cost of tent rental and exhibit security.

#### C. City of Lincoln/Lancaster County

Like the State of Nebraska, these entities have departments which provide services to the public. Park & Recreation, Library, Police, Sheriff and Health Departments; each has a range of services that are available to the fair patrons. A City of Lincoln and Lancaster

County exhibit could be offered, with the expense of space borne by each jurisdiction.

4. Miscellaneous

A. Advertising

The budget available for advertising the 2003 fair, including creative, was approximately \$120,000. This amount does not permit the use of television advertising, which is critical for several segments of our market. Additionally, it does not permit extensive advertising throughout the state. An additional amount of \$150,000, at a minimum, is necessary to mount an effective, statewide campaign.

B. Exhibit Support

Currently the state fair is using exhibit cases, backdrops, lighting and other equipment that is dilapidated and in overall very poor condition. Accordingly, the exhibits entered by state residents and 4H/FFA students are presented in a manner that does not support the quality of the exhibits. While a formal analysis has not been conducted to determine the cost of replacing our current inventory, it would certainly be in the \$100,000 range, at a minimum.

C. Signage

Presently, visitors to the State Fair are presented with a confusing array of signs, possessing little consistency and often presented in less than a professional manner. A signage study was performed by an upper-division UNL architecture class last year; however, no funds were available to implement their recommendations. Estimated cost - \$150,000.

SUMMARY

Implementation of the programs and features previously described represent what is necessary to take the Nebraska State Fair to the level that Nebraskans' deserve. It should be noted that success would not come in the first year. It will require a minimum of 3-5 years, at the funding levels noted as minimums, for the fair to begin recapturing the attention of our states' residents.

New Additional Funding (Annual)

1.	Premiums	\$ 50,000
2.	Youth Livestock Sale	50,000
3.	Free Concerts	135,000
4.	Grounds Acts	80,000
5.	Advertising	150,000
6.	Traveling Exhibits	<u>50,000</u>
	Total	\$ 515,000

One Time Funding

1.	Exhibit Support	\$ 100,000
2.	Signage	<u>150,000</u>
	Total	\$ 250,000

Finally, the issue of physical plant improvement has not been addressed. As a point of departure, the Fair Park Master Plan would serve as the logical source for information (cost estimates) relative to this need.



# Concept B2-Joint Fair at State Fair Park - with Horseracing

## Appendix 9

Timeline for Bond Funded Projects	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Building Projects:</b>																						
Grandstand - 60,000 sq. ft.			3,100,000																			
One-mile race track			750,000																			
Grandstand Equipment			500,000																			
Multi-purpose Exhibit Hall			8,000,000	2,000,000																		
1.450 Street Entry Plaza & Parking Lot			2,700,000																			
Infrastructure Upgrade			1,350,000																			
<b>Total of Projects</b>			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Timeline for Non-Bond Funded Projects</b>																						
Timeline for Non-Bond Funded Projects																						
Timeline for Non-Bond Funded Projects																						
<b>Total of Projects</b>																						
<b>Best Option - Funding Available</b>																						
Cash Generated from Operations	251,552	654,021	1,407,448	2,355,471	2,310,216	2,207,614	2,087,444	2,039,708	2,431,715	2,481,351	2,431,684	2,432,722	2,434,495	2,437,030	2,439,317	2,441,457	2,443,411	2,445,287	2,447,097	2,448,842	2,450,522	2,452,145
1955 Foundation contributions	160,000	500,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
State Funding from Lottery proceeds	251,552	604,021	3,357,448	4,122,314	4,157,035	4,174,455	4,205,185	4,235,517	4,265,847	4,296,175	4,326,503	4,356,831	4,387,159	4,417,487	4,447,815	4,478,143	4,508,471	4,538,799	4,569,127	4,599,455	4,629,783	4,660,111
<b>Total Funding Available</b>																						
<b>Funding Needed</b>																						
Annual Bond Payment			1,742,283	1,742,283	1,742,283	1,742,283	1,742,283	1,742,283	1,742,283	1,742,283	1,742,283	1,742,283	1,742,283	1,742,283	1,742,283	1,742,283	1,742,283	1,742,283	1,742,283	1,742,283	1,742,283	1,742,283
Non-bonded bond projects			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other building repairs**			110,639	110,639	110,639	110,639	110,639	110,639	110,639	110,639	110,639	110,639	110,639	110,639	110,639	110,639	110,639	110,639	110,639	110,639	110,639	110,639
Other capital expenditures			120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Annual Depreciation			855,955	855,955	855,955	855,955	855,955	855,955	855,955	855,955	855,955	855,955	855,955	855,955	855,955	855,955	855,955	855,955	855,955	855,955	855,955	855,955
State Budget Fund - 2%			1,005,555	1,005,555	1,005,555	1,005,555	1,005,555	1,005,555	1,005,555	1,005,555	1,005,555	1,005,555	1,005,555	1,005,555	1,005,555	1,005,555	1,005,555	1,005,555	1,005,555	1,005,555	1,005,555	1,005,555
<b>Total Funding Needed</b>																						
<b>Total Funding Available</b>																						
<b>Best Option - Funding Available</b>																						
Cash Generated from Operations	244,794	610,735	1,089,383	1,631,253	1,607,641	1,584,029	1,560,417	1,536,805	1,513,193	1,489,581	1,465,969	1,442,357	1,418,745	1,395,133	1,371,521	1,347,909	1,324,297	1,300,685	1,277,073	1,253,461	1,229,849	1,206,237
1955 Foundation contributions	0	150,000	500,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
State Funding from Lottery proceeds	244,794	760,735	3,148,383	3,678,085	3,654,333	3,630,581	3,606,829	3,583,077	3,559,325	3,535,573	3,511,821	3,488,069	3,464,317	3,440,565	3,416,813	3,393,061	3,369,309	3,345,557	3,321,805	3,298,053	3,274,301	3,250,549
<b>Total Funding Available</b>																						
<b>Best Option - Funding Available</b>																						
Cash Generated from Operations	244,794	610,735	1,089,383	1,631,253	1,607,641	1,584,029	1,560,417	1,536,805	1,513,193	1,489,581	1,465,969	1,442,357	1,418,745	1,395,133	1,371,521	1,347,909	1,324,297	1,300,685	1,277,073	1,253,461	1,229,849	1,206,237
1955 Foundation contributions	0	150,000	500,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
State Funding from Lottery proceeds	244,794	760,735	3,148,383	3,678,085	3,654,333	3,630,581	3,606,829	3,583,077	3,559,325	3,535,573	3,511,821	3,488,069	3,464,317	3,440,565	3,416,813	3,393,061	3,369,309	3,345,557	3,321,805	3,298,053	3,274,301	3,250,549
<b>Total Funding Available</b>																						
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1955 Foundation contributions	0	150,000	500,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
State Funding from Lottery proceeds	244,794	760,735	3,148,383	3,678,085	3,654,333	3,630,581	3,606,829	3,583,077	3,559,325	3,535,573	3,511,821	3,488,069	3,464,317	3,440,565	3,416,813	3,393,061	3,369,309	3,345,557	3,321,805	3,298,053	3,274,301	3,250,549
<b>Total Funding Available</b>																						
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1955 Foundation contributions	0	150,000	500,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
State Funding from Lottery proceeds	244,794	760,735	3,148,383	3,678,085	3,654,333	3,630,581	3,606,829	3,583,077	3,559,325	3,535,573	3,511,821	3,488,069	3,464,317	3,440,565	3,416,813	3,393,061	3,369,309	3,345,557	3,321,805	3,298,053	3,274,301	3,250,549
<b>Total Funding Available</b>																						
<b>Best Option - Funding Available</b>																						
Cash Generated from Operations	244,794	610,735	1,089,383	1,631,253	1,607,641	1,584,029	1,560,417	1,536,805	1,513,193	1,489,581	1,465,969	1,442,357	1,418,745	1,395,133	1,371,521	1,347,909	1,324,297	1,300,685	1,277,073	1,253,461	1,229,849	1,206,237
1955 Foundation contributions	0	150,000	500,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
State Funding from Lottery proceeds	244,794	760,735	3,148,383	3,678,085	3,654,333	3,630,581	3,606,829	3,583,077	3,559,325	3,535,573	3,511,821	3,488,069	3,464,317	3,440,565	3,416,813	3,393,061	3,369,309	3,345,557	3,321,805	3,298,053	3,274,301	3,250,549
<b>Total Funding Available</b>																						
<b>Best Option - Funding Available</b>																						
Cash Generated from Operations	244,794	610,735	1,089,383	1,631,253	1,607,641	1,584,029	1,560,417	1,536,805	1,513,193	1,489,581	1,465,969	1,442,357	1,418,745	1,395,133	1,371,521	1,347,909	1,324,297	1,300,685	1,277,073	1,253,461	1,229,849	1,206,237
1955 Foundation contributions	0	150,000	500,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
State Funding from Lottery proceeds	244,794	760,735	3,148,383	3,678,085	3,654,333	3,630,581	3,606,829	3,583,077	3,559,325	3,535,573	3,511,821	3,488,069	3,464,317	3,440,565	3,416,813	3,393,061	3,369,309	3,345,557	3,321,805	3,298,053	3,274,301	3,250,549
<b>Total Funding Available</b>																						
<b>Best Option - Funding Available</b>																						
Cash Generated from Operations	244,794	610,735	1,089,383	1,631,253	1,607,641	1,584,029	1,560,417	1,536,805	1,513,193	1,489,581	1,465,969	1,442,357	1,418,745	1,395,133	1,371,521	1,347,909	1,324,297	1,300,685	1,277,073	1,253,461	1,229,849	1,206,237
1955 Foundation contributions	0	150,000	500,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
State Funding from Lottery proceeds	244,794	760,735	3,148,383	3,678,085	3,654,333	3,630,581	3,606,829	3,583,077	3,559,325	3,535,573	3,511,821	3,488,069	3,464,317	3								

## Appendix 10

[illegible]

Ella Seacrest's (Age 8) Ideas for Improvements:

Make the Big Ben ride even higher!

More roller coasters

Get a sea dragon ride

Have horses giving birth at the birth center

More fun horse shows